

December 11, 2000

Cindy Mann, Director  
Family and Children's Health Program  
Center for Medicaid and State Operations  
Health Care Financing Administration  
7500 Security Boulevard  
Baltimore, Maryland 21244

Dear Ms. Mann:

Minnesota is submitting an amendment to its March 28, 2000 proposal for a section 1115 demonstration waiver under Title XXI. In accordance with HCFA's letter of July 31, 2000 issuing guidance on state proposals for waivers of Title XXI, this amendment adds coverage for parents and relative caretakers enrolled in MinnesotaCare. These people will have income between 100 percent and 275 percent of the federal poverty levels. This is an additional proposal to all other waiver requests submitted in the original document.

As you know, our MinnesotaCare Program has a maximum income level for families with children at 275 percent of the federal poverty levels. Minnesota began receiving federal financial participation (FFP) for parents and caretakers with income at or below 175 percent of poverty in March 1999. We had planned to begin collecting FFP for parents above 175 percent of poverty in January 2001. We have limited our request for S-CHIP funding to expenditures related to parents and relative caretakers with income above 100 percent of poverty, in accordance with your letter of July 31, 2000.

Implementing S-CHIP coverage for parents in MinnesotaCare will help Minnesota assure continued coverage for parents. This will result in improving and retaining health coverage for children because studies have demonstrated that children are more likely to receive health care services when their parents are also covered.

We propose to implement the S-CHIP coverage for parents as a Medicaid expansion and retain all the program features of MinnesotaCare. MinnesotaCare's existing program requirements for eligibility, other insurance, benefits and cost-sharing have all been approved under the MinnesotaCare Health Care Reform Medicaid waiver.

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I look forward to discussing this amendment and the entire waiver proposal with you. I hope we have an opportunity to talk about this within the next few weeks. If you have questions or require additional information, please contact me at (651) 282-9921.

Sincerely,

Mary B. Kennedy, Medicaid Director  
Assistant Commissioner Health Care

cc: Cindy Shirk, Acting Director, S-CHIP Program Group  
Nancy Faschiano, Health Insurance Specialist, S-CHIP Program Group  
Cheryl A. Harris, Associate Regional Administrator, HCFA Region V  
Doris Ross, State Representative, HCFA Region V